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Food Labeling Policy Update

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Biotechnology

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General Information:

Legislation introducing mandatory labeling of "GM Free" food and beverage products was signed into law by the President of Ukraine at the end of 2009. The Laws "On Amendments to Some Legal Acts of Ukraine for Providing Information on Genetically Modified Components" and "On Amendment to the Law of Ukraine On Safety and Quality of Food Products for Informing People of the Presence of Genetically Modified Organisms in Food Products" stipulate that all food products (except tobacco, tobacco products, and home made food) shall be labeled either "GM" or "GM-free." The new labeling law is silent on a quantitative threshold for the presence of GM, and the amendment to the Food Safety law contains other ambiguities. The labeling law is now in force, and the other law that sets fines for failure to label will come into force 2 months after its publication, on Feb 30, 2010. The date of adoption was December 17, 2009. The laws also mandate that the GOU develop and implement: 1) the procedure for registration of genetically modified organisms and products derived from them and 2) the system of GM labeling with a deadline for this within one month of adoption of the laws.

Reaction of the food industry is alarmed. Food processing companies have serious concerns over the implementation of this new legislation, as it implies a significant increase in their sales costs, even without taking into consideration their dilemma over stocks of unlabeled packaged products. Industry representatives say that to strictly comply, every item must be tested if a company wishes to label its product with a "GM free" label, even in the case of food products that cannot contain GM (e.g. mineral water, salt). There are rumors that inspections organized by the State Standard Committee may start in supermarkets and at the border soon; and some food product suppliers have received letters from major retail chains saying that their supermarkets will not accept any food products for sale without "GM free" labels. The international food trade is concerned with the possibility of unfair competition, as some food suppliers have allegedly started labeling products with "GM free" labels without any testing, which is not an acceptable approach for companies governed by strict corporate rules and policies.

Food industry representatives and associations have approached the Government of Ukraine and the Members of Parliament to amend the current GM labeling requirement. They state that this measure is non-compliant with international practices, may lead to losses for food suppliers and retailers, and facilitate corruption.

FAS Kyiv learned on Jan 24 that Ukrainian legislators have drafted a new law that specifies a threshold of 0.9% for GM labeling, while leaving the requirement to label "GM free" products untouched. Another second law under consideration, drafted by the Government of Ukraine, may cancel labeling of "GM free" food products, but this proposal sets no threshold. It states that "food products that contain GMOs or produced from GM shall be labeled based on the procedure to be adopted by the GOU". It also refers to "duly registered GMOs", implying that non-registered GM will be prohibited.

Currently no GM events for human consumption or cultivation are registered in Ukraine. Since none are permitted, a "GM" label on food signals that it is a prohibited product.

There are currently only 7 to 8 labs capable of testing the presence of GM in food products, with testing prices set at about \$45-55 per single consignment of food product. Another problem in amending the legislation already passed is that legislative changes will likely be slow in coming during Ukraine's season of presidential election activity. A presidential runoff election will take place Feb. 7,

2010. Legislative activity in the meantime is very limited.